

# Economic Development Incentive Program (EDIP)



## Fiscal Year 2018 Annual Report

Massachusetts Office of Business Development

September 28, 2018

# Table of Contents

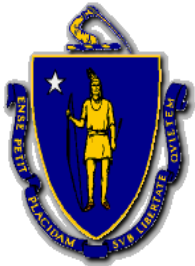


## Content

## Page

<b>Letter from MOBD Director.....</b>	<b>3</b>
<b>Mass Office of Business Development.....</b>	<b>4</b>
<b>FY 2018 EDIP Projects.....</b>	<b>5</b>
<b>FY 2018 Accomplishments.....</b>	<b>11</b>
<b>FY 2019 Goals &amp; Initiatives.....</b>	<b>14</b>
<b>FY 2018 EDIP Projects Approved.....</b>	<b>15</b>
<b>EDIP Projects Fiscal Year Comparison.....</b>	<b>19</b>
<b>EACC Board Members.....</b>	<b>20</b>
<b>Contact Information.....</b>	<b>21</b>
<b>Statutory References.....</b>	<b>22</b>

# Letter from EDIP Director



**CHARLES D. BAKER**  
GOVERNOR

**KARYN E. POLITO**  
LIEUTENANT GOVERNOR

COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE OFFICE OF HOUSING & ECONOMIC DEVELOPMENT  
MASSACHUSETTS OFFICE OF BUSINESS DEVELOPMENT  
136 BLACKSTONE STREET, 5TH FLOOR  
BOSTON, MA 02109  
TELEPHONE: 617-973-8600  
FAX: 617-973-8554  
Internet: <http://www.mass.gov/eohed>

**JAY ASH**  
SECRETARY

**NAM PHAM**  
ASSISTANT SECRETARY

September 28, 2018

Dear Governor Baker:

On behalf of the Massachusetts Office of Business Development (MOBD) we are pleased to submit the Economic Development Incentives Program (EDIP) FY 2018 Annual Report in accordance with Section 3B(c) of Chapter 23A of the Massachusetts General Laws. This Annual Report covers the Economic Assistance Coordinating Council (EACC) and the Economic Development Incentive Program for FY 2018, ending June 30, 2018.

The EDIP continues to be the largest job creation incentive in the Commonwealth. In fiscal year 2018 forty-five (45) projects were approved across the Commonwealth with the potential to create 4,075 jobs, the retention of 7,819 jobs and a private investment of \$1.2 billion from the Berkshires to the Cape, from Amesbury to Agawam. Since the Baker-Polito Administration took office in 2015, 194 projects have received approval, leading to the potential creation of 12,356 new jobs, the retention of 27,890 existing jobs and leveraging of over \$4.3 billion in private investment. During this time period the EACC has assisted 86 manufacturers through the EDIP and has supported 87 projects in Gateway Cities. Please contact the EDIP Director, Annamarie Kersten or me should you have any questions.

Sincerely,

Nam Pham  
Assistant Secretary for Business Development and International Trade

cc The Senate Committee on Ways and Means / The House Committee on Ways and Means / The Joint Committee on Labor and Workforce



## Mission

- Facilitate access to resources
- Promote job growth and job retention
- Stimulate private investments
- Help businesses thrive in Massachusetts

## Regions:

Merrimack  
Valley / MetroWest

Northeast

Greater Boston

West

Central

Southeast



## Resources

- Financing
- Workforce Training
- Tax Incentives
- Export Assistance
- International Investment
- Industry Expertise
- Permitting / Regulatory
- Infrastructure Support
- Site Selection
- Business Consultation



# Notable Fiscal Year 2018 EDIP Projects



Stone Path Malt

**MERROW®**



LIFoAM™



**ACE**  
Molding inc.



99Degrees



MassMutual®

# Fiscal Year 2018 EDIP Projects



45 Projects Approved



4,075 Jobs to Be Created



7,819 Jobs to Be Retained



\$1.2 Billion Private Investment

# Fiscal Year 2018 EDIP Projects



## EDIP FY 2018 Results: Regional Snapshot

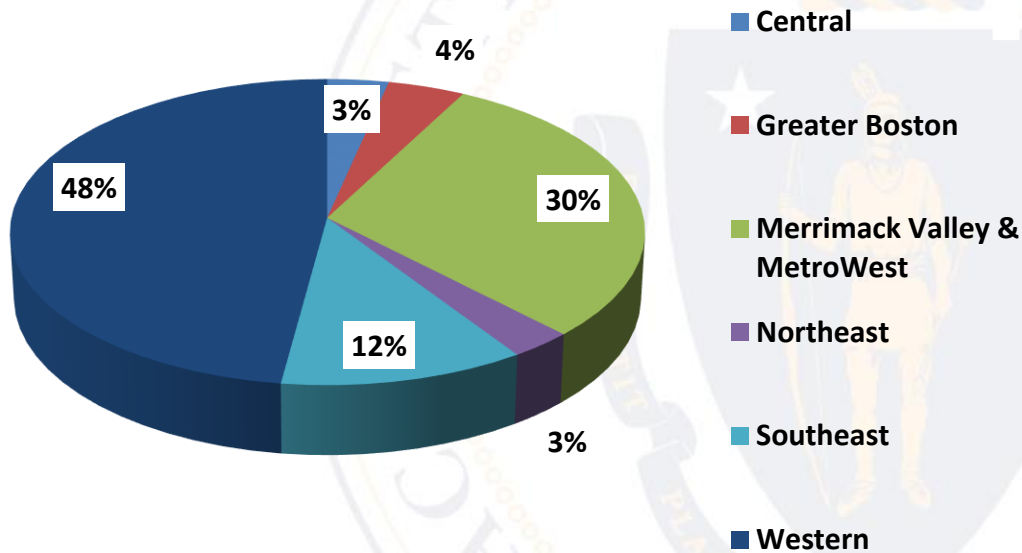
Region	Number of Projects	New Jobs	Retained Jobs	Private Investment	EDIPC* Awarded
Central	4	119	288	\$88,418,438	\$362,500
Greater Boston	2	502	4	\$280,000,000	\$11,500,000
Merrimack Valley & MetroWest	10	1,041	2,528	\$232,225,457	\$3,925,000
Northeast	3	213	136	\$126,472,218	\$375,000
Southeast	15	497	870	\$288,975,420	\$1,092,500
Western	11	1,703	3,993	\$147,041,300	\$34,916,500
	45	4,075	7,819	\$1,163,132,833	\$52,171,500

\*Economic Development Incentive Program Credit

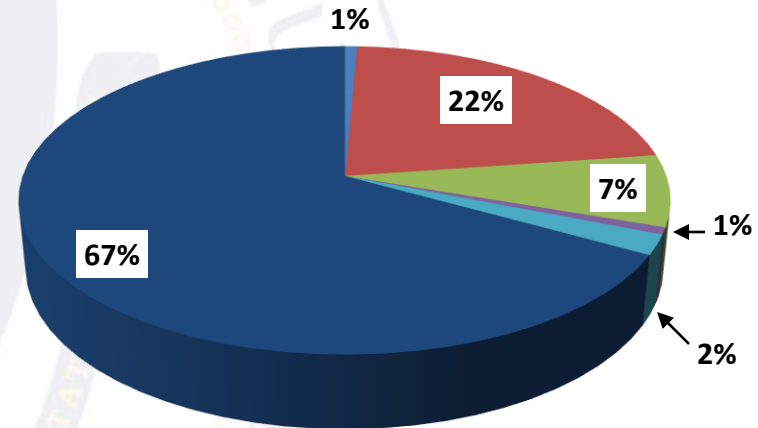
# Fiscal Year 2018 EDIP Projects



**\*Job Impact by Region**



**\*\*EDIPC by Region**



\*Job Impact is Jobs Created and Jobs Retained

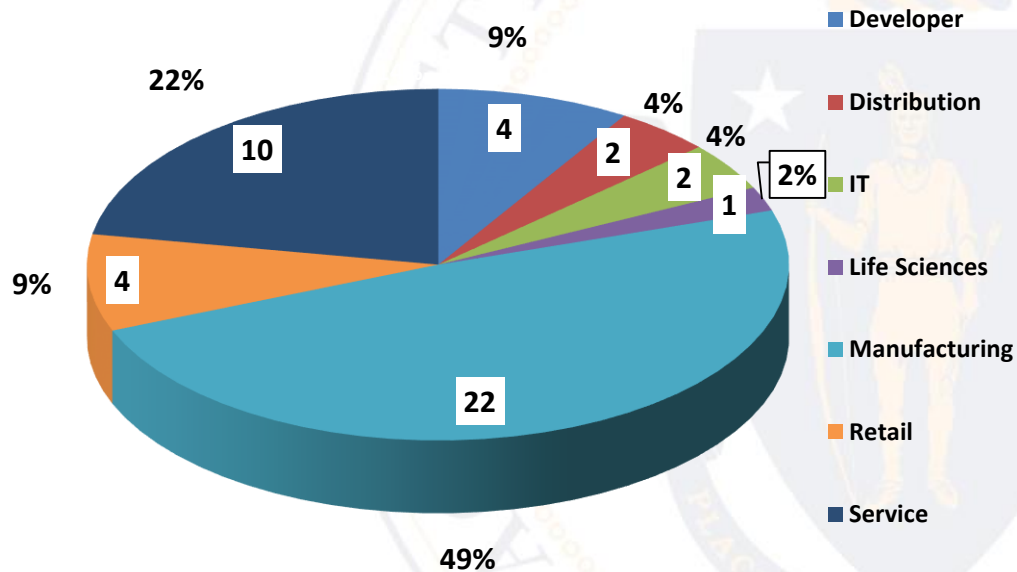
\*\*Economic Development Incentive Program Credit



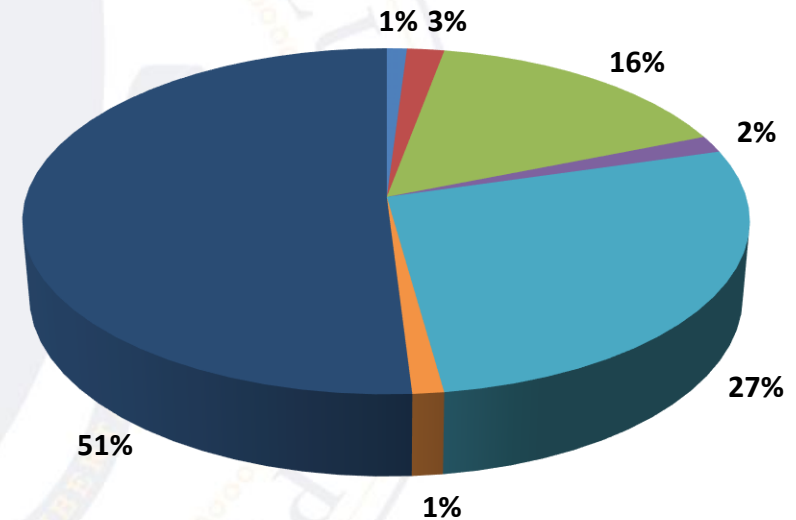
# Fiscal Year 2018 EDIP Projects



## Number of Projects by Industry



## Job Impact\* by Industry

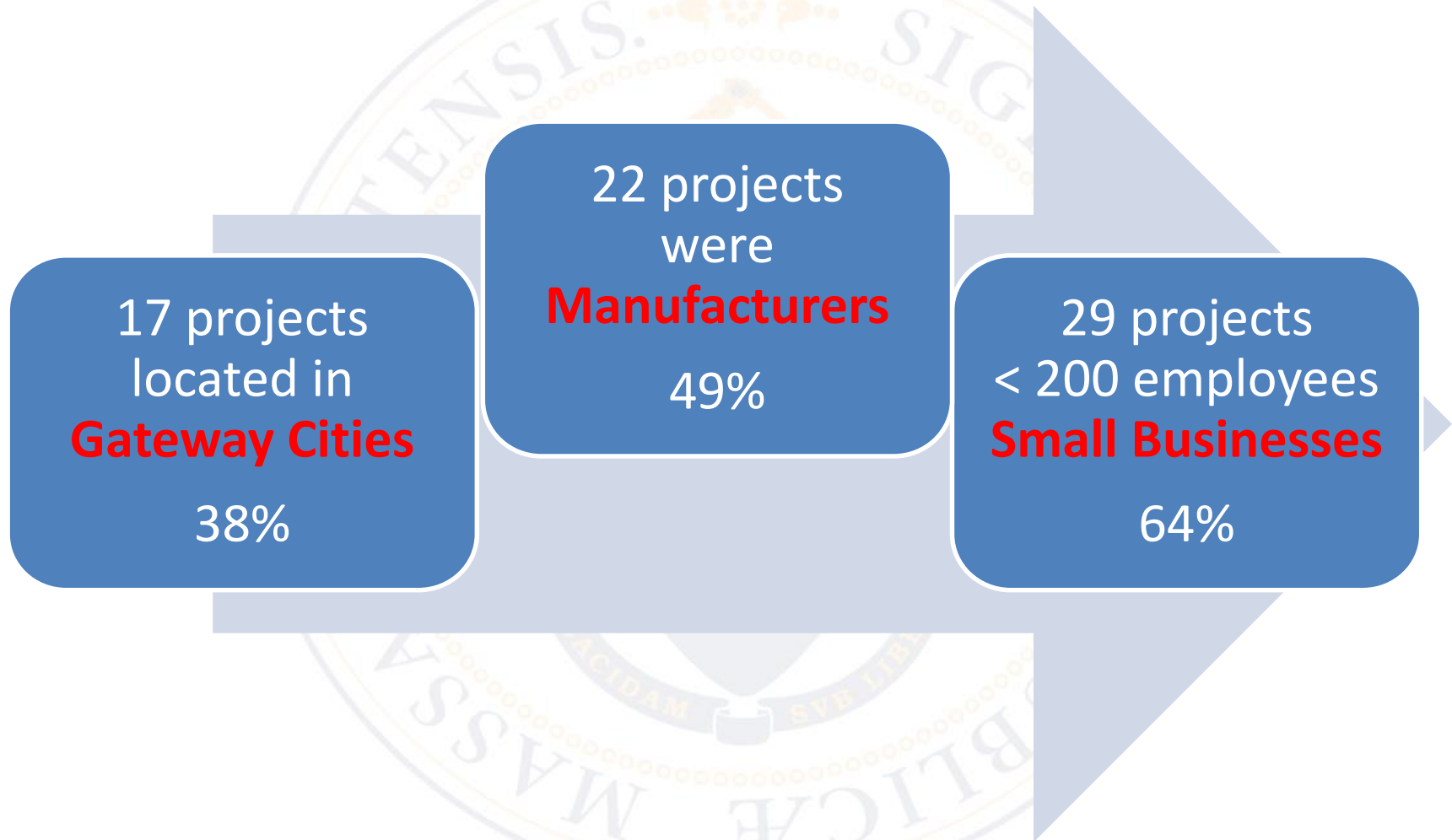


\*Job Impact is Jobs Created and Jobs Retained

# Fiscal Year 2018 EDIP Projects



**Of the 45 FY 2018 EDIP Projects Approved:**



# FY 2018 Accomplishments



## In Addition to the EDIP Projects Approved:

- **New EDIP regulations** were promulgated and approved – **402 CMR 2.00**
- **4 Quarterly EACC Board Meetings** were held (September 2017, December 2017, April 2018, June 2018)
- **1 EACC Policy Meeting** was conducted (February 2018)
- **Selection criteria were refined** to ensure public financial support is provided only when needed and to direct assistance where it is most needed.

# FY 2018 Accomplishments



## In Addition to the EDIP Projects Approved (con't):

- The EDIP is a **competitive application process**
- **11** of **56** projects applying for state tax credits were **turned away (20%)**
- Of these **11** projects, **5** went forward with municipal property tax breaks in the form of a TIF or STA
- Of the **6** projects receiving neither state nor municipal incentives, **5** expanded regardless
- The **1** project that did not proceed was a start-up lacking financing and a business plan



## EDIP Annual Reporting Activity:

- Ended **FY 2017** with **443** active EDIP projects
- **5** projects expired on **12/31/2017**
- Approved **45** projects in **FY 2018**
- Decertified **11** projects in **FY 2018**
  - 5 projects requested voluntary revocation of certified project status
  - 4 projects failed to file annual reports
  - 2 projects out of compliance with job creation
- **15** projects expired on **6/30/2018**
- EDIP begins with **457** active projects in **FY 2019**



# FY 2019 Goals & Initiatives



- Develop an online EDIP application process
- Hold 6 regional municipal outreach meetings to inform municipal officials on changes in EDIP regulations and procedure
- Develop and adopt new Job Compliance Policy
- Develop and roll-out new initiative for vacant downtown storefronts
- Improve EDIP Web Site for better user-friendliness
- Continue to publicize that EDIP program is competitive and not an entitlement

# FY 2018 EDIP Projects Approved



## Central, Greater Boston, Northeast Regions

Municipality	Region	Business Name	Industry	Jobs Created	Jobs Retained	Private Investment	EDIPC Award	Local	EACC Date	Gateway
Ayer	Central	American Superconductor Corporation	MFG	0	82	\$2,500,000	\$0	STA	9/20/2017	N
Westborough	Central	Astellas Institute for Regenerative Medicine	LS	90	100	\$80,000,000	\$0	TIF	12/13/2017	N
Boston	Greater Boston	Mass Mutual Life Insurance Company	SER	500	0	\$241,597,230	\$11,500,000	None	6/20/2018	N
Hanover	Greater Boston	Prep Hanover Real Estate, LLC	DEV	2	4	\$80,000,000	\$0	TIF	9/20/2017	N
Amesbury	Northeast	Global Property Developers Corp.	DEV	50	0	\$48,000,000	\$0	TIF	6/20/2018	Y
Beverly	Northeast	HD Systems, Inc.	MFG	80	112	\$70,670,500	\$0	TIF	6/20/2018	N
Billerica	Northeast	ClearMotion, Inc.	IT	105	195	\$9,400,000	\$0	TIF	6/20/2018	N
North Andover	Northeast	Lifoam Industries, LLC (a subsidiary of Newell Brands)	MFG	83	24	\$7,801,718	\$375,000	None	9/20/2017	N

# FY 2018 EDIP Projects Approved



## Merrimack Valley & MetroWest Regions

Municipality	Region	Business Name	Industry	Jobs Created	Jobs Retained	Private Investment	EDIPC Award	Local Award	EACC Date	Gateway
Dracut	Merrimack Valley & MetroWest	Circle Health, Inc. and its subsidiaries	SER	16	40	\$10,380,000	\$0	TIF	12/13/2017	N
Dracut	Merrimack Valley & MetroWest	Giving Tree Senior Living, LLC / Dracut Place Realty Co. LLC	SER	45	2	\$17,000,000	\$0	TIF	12/13/2017	N
Dracut	Merrimack Valley & MetroWest	Sunbridge, LLC/101 Devel Group, LLC/Genesis Healthcare, LLC	SER	165	0	\$26,500,000	\$0	TIF	12/13/2017	N
Dracut	Merrimack Valley & MetroWest	Tre Torri, LLC / Equipment East, LLC / Albanese D&S, Inc.	RET	5	25	\$3,000,000	\$0	TIF	12/13/2017	N
Lawrence	Merrimack Valley & MetroWest	99Degrees Custom, Inc.	MFG	350	60	\$4,000,000	\$2,800,000	None	4/12/2018	Y
Leominster	Merrimack Valley & MetroWest	Process Cooling Systems, Inc.	MFG	16	49	\$5,600,000	\$200,000	TIF	4/12/2018	Y
Lowell	Merrimack Valley & MetroWest	Plenus Group Inc.	MFG	30	50	\$8,588,000	\$300,000	TIF	9/20/2017	Y
Oxford	Merrimack Valley & MetroWest	Chase Corporation	MFG	13	57	\$318,438	\$162,500	None	6/20/2018	N
Westford	Merrimack Valley & MetroWest	Goodrich Corporation (a UTC Aerospace Systems Company)	MFG	180	601	\$8,800,000	\$540,000	None	9/20/2017	N
Westwood	Merrimack Valley & MetroWest	Honeywell International Inc.	MFG	95	0	\$1,657,457	\$285,000	None	9/20/2017	N
Wilmington	Merrimack Valley & MetroWest	Analog Devices, Inc.	IT	50	1,555	\$142,900,000	\$0	TIF	6/20/2018	N

# FY 2018 EDIP Projects Approved



## Southeast Region

Municipality	Region	Business Name	Industry	Jobs Created	Jobs Retained	Private Investment	EDIPC Award	Local Award	EACC Date	Gateway
Dennis	Southeast	Aquacultural Research Corporation	MFG	6	17	\$330,000	\$100,000	None	9/20/2017	Y
Fall River	Southeast	Merrow Manufacturing LLC	MFG	200	95	\$2,955,000	\$750,000	None	9/20/2017	Y
Fall River	Southeast	Ocean State Job Lot	RET	9	16	\$9,487,620	\$0	TIF	6/20/2018	Y
Mansfield	Southeast	Rolf C. Hagan USA Corp.	MFG	30	100	\$500,000	\$0	TIF	6/20/2018	N
New Bedford	Southeast	Oceans Fleet Fisheries, Inc.	MFG	19	6	\$1,700,000	\$0	STA	9/20/2017	Y
New Bedford	Southeast	Plumbers Supply Company	DIS	20	165	\$19,000,000	\$167,500	TIF	4/12/2018	Y
New Bedford	Southeast	Quality Custom Packing, Inc.	MFG	40	1	\$1,400,000	\$0	STA	9/20/2017	Y
North Attleborough	Southeast	H1 Lincoln, Inc. dba Majestic Honda / Balise Auto Group / BAR Attleborough LLC	RET	90	0	\$10,200,000	\$0	TIF	12/13/2017	N
Norton	Southeast	Home Market Foods, Inc. / Dowe Realty II, LLC	MFG	20	0	\$25,000,000	\$0	TIF	12/13/2017	N
Somerset	Southeast	Horner Millwork Corp. / North Atlantic Corp.	MFG	20	311	\$6,000,000	\$0	TIF	6/20/2018	N
Somerset	Southeast	Masslen, LLC / Lenmarine, Inc. dba Bristol Marine	SER	8	18	\$2,500,000	\$0	TIF	12/13/2017	N
Taunton	Southeast	Emond Plumbing & Heating, Inc.	SER	10	45	\$2,128,800	\$0	TIF	6/20/2018	Y
Taunton	Southeast	South Coast Development, LLC	DEV	0	0	\$2,850,000	\$0	TIF	9/20/2017	Y
Taunton	Southeast	Waters Corporation	MFG	15	94	\$200,000,000	\$0	TIF	6/20/2018	Y
Wareham	Southeast	Stone Path Malt, LLC	MFG	10	2	\$4,924,000	\$75,000	TIF	12/13/2017	Y

# FY 2016 EDIP Projects Approved

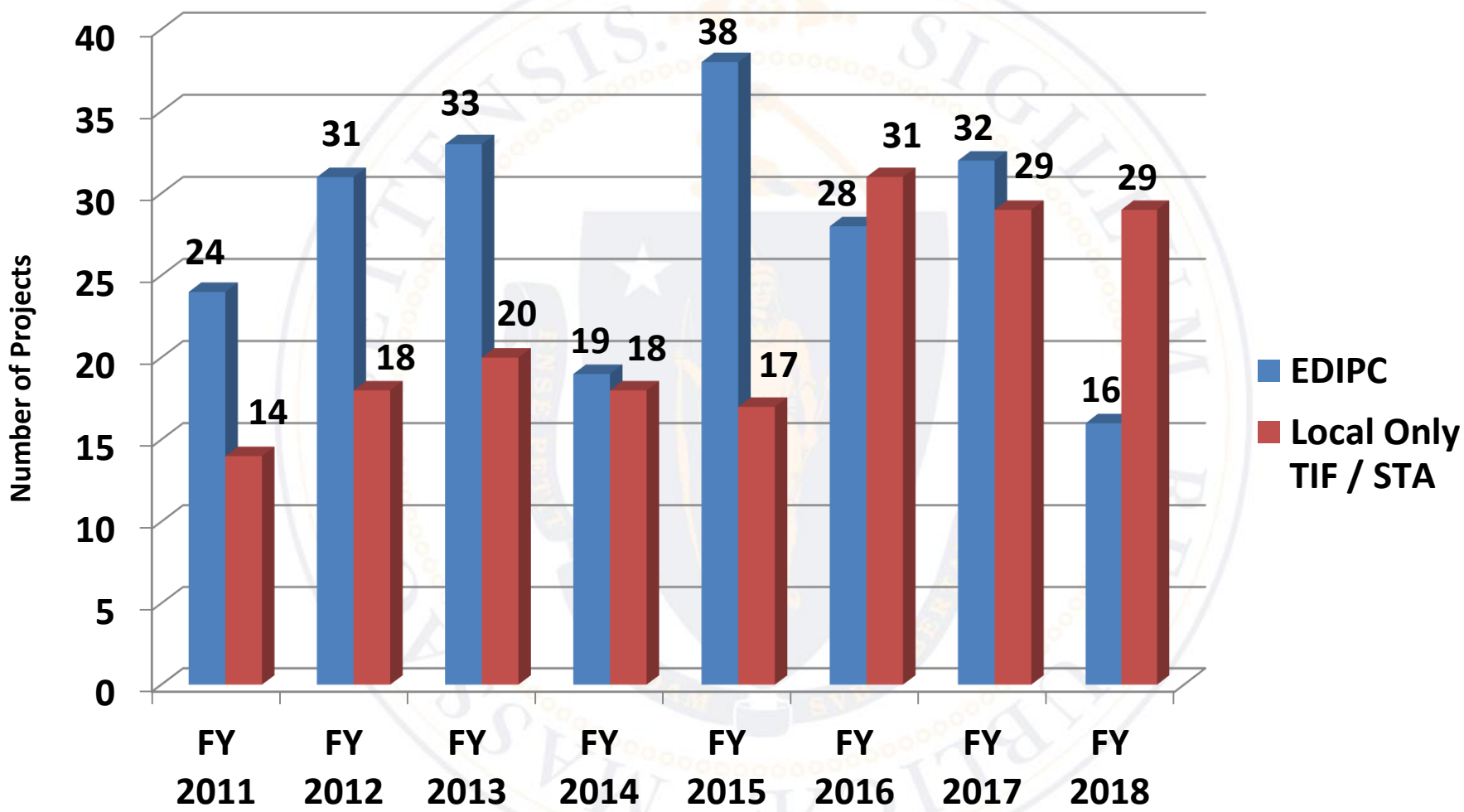


## Western Region

Municipality	Region	Business Name	Industry	Jobs Created	Jobs Retained	Private Investment	EDIPC Award	Local Award	EACC Date	Gateway
Agawam	Western	ABLE Machine Tools Sales, Inc.	DIS	10	30	\$2,460,000	\$75,000	TIF	4/12/2018	N
Chicopee	Western	A. Crane Construction, LLC	SER	6	7	\$1,440,000	\$0	TIF	6/20/2018	Y
Chicopee	Western	RiverMills Assisted Living, LLC	DEV	65	0	\$24,260,000	\$0	TIF	6/20/2018	Y
Monson	Western	Ace Molding, Inc.	MFG	5	3	\$230,000	\$0	STA	6/20/2018	N
Montague	Western	Ja'Duke Inc.	SER	10	11	\$1,800,000	\$0	TIF	4/12/2018	N
Orange	Western	Seaman Paper Company / MBW, Inc.	MFG	10	123	\$5,580,300	\$0	TIF	6/20/2018	N
Pittsfield	Western	LTI Smart Glass, Inc.	MFG	38	100	\$2,250,000	\$240,000	None	9/20/2017	Y
Shelburne Falls	Western	Sweetheart Realty, LLC	RET	0	0	\$1,440,000	\$0	TIF	9/20/2017	N
Southampton	Western	J&E Precision Tool, Inc.	MFG	29	70	\$1,500,000	\$101,500	None	9/20/2017	N
Springfield	Western	Mass Mutual Life Insurance Company	SER	1,500	3,649	\$49,483,770	\$34,500,000	None	6/20/2018	Y
Ware	Western	Ware Senior Living, LLC	SER	30	0	\$15,000,000	\$0	STA	4/12/2018	N



# Closed EDIP Projects by Fiscal Year





## Ex Officio Members

- EOHED – Carolyn Kirk, co-chair
- DHCD – Louis Martin, co-chair
- MOBD – Nam Pham
- EOHED appointee – Brian M. Arrigo, Mayor of Revere
- DCS – Brian Decelles
- DLWD – Ken Messina
- CommCorp – Anne Klayman

## Gubernatorial Appointees

- West – Kathleen Anderson
- Central – Paul Matthews
- East – Lisa Prior
- Merrimack Valley – Joe Bevilaqua
- Southeast – Joseph Michaud
- Cape & Islands – David Keator
- Higher Ed – Dr. Michael Goodman

# EDIP Contacts



## **EDIP Contacts:**

Annamarie Kersten, EDIP Director

Phone: 617-973-8534

[annamarie.kersten@state.ma.us](mailto:annamarie.kersten@state.ma.us)

Joey Giovino, EDIP Program Manager

Phone: 617-973-8536

[joey.giovino@state.ma.us](mailto:joey.giovino@state.ma.us)

## **Visit:**

[www.mass.gov/mobd](http://www.mass.gov/mobd)

[www.mass.gov/edip](http://www.mass.gov/edip)

[www.mass.gov/hed](http://www.mass.gov/hed)

## **Regional Directors:**

Peter Milano, Senior Director, Business Development  
Merrimack Valley / MetroWest

Phone: 617-970-1193

[peter.milano@mass.gov](mailto:peter.milano@mass.gov)

Maria DiStefano, Regional Director, Northeast

Phone: 978-745-2387

[maria.g.distefano@mass.gov](mailto:maria.g.distefano@mass.gov)

Maria Marasco, Regional Director, Southeast

Phone: 508-730-1438

[maria.marasco@mass.gov](mailto:maria.marasco@mass.gov), Regional Director

Debra Boronski, Regional Director, West

Phone: 617-595-6363

[debra.boronski@mass.gov](mailto:debra.boronski@mass.gov)

# Statutory References



## EDIP Governing Statute:

### [M.G.L. Chapter 23A: Section 3A-3G](#)

[3A: Definitions applicable to Sections 3A to 3G](#)

[3B: The Economic Assistance Coordinating Council](#)

[3C: Project proposal to create permanent FT employees; certification](#)

[3D: Awarding of tax credits; refundable tax credits; limitations; EDIP contract](#)

[3E: Municipality provided incentives; local tax incentive; TIF; STA; amendments](#)

[3F: Reports to be filed, material noncompliance, revocation of project certification](#)

[3G: Designation of ETAs, EOAs, criteria; foreign trade zones](#)

## EDIP Regulations:

### [402 Code of Massachusetts Regulations 2.00](#)

EDIP Regulations effective August 24, 2018

## EDIP Reformation Statutes:

### [Chapter 166 of the Acts of 2009](#)

Reforms to M.G.L. Chapter 23A effective January 1, 2010

### [Chapter 240 of the Acts of 2010: Sections 15 - 23](#)

Reforms to M.G.L. Chapter 23A Sections 3A & 3F effective January 1, 2010

### [Chapter 287 of the Acts of 2014](#)

Reforms to M.G.L. Chapter 23A effective July 1, 2014

### [Chapter 219 of the Acts of 2016](#)

Reforms to M.G.L. Chapter 23A effective January 1, 2017

### [Chapter 228 of the Acts of 2018: Sections 5, 12, 16](#)

Reforms to M.G.L. Chapter 23A effective January 1, 2019

## EDIP Investment Tax Credit Statutes:

### [M.G.L. Chapter 62: Section 6\(g\)](#)

Taxation of Incomes

### [M.G.L. Chapter 63: Section 38N](#)

Taxation of Corporations: Economic Development Incentive Program; Tax Credit for Certified Projects

### [M.G.L. Chapter 63: Section 31A](#)

Taxation of Corporations: Investment Credit for Certain Corporations; Limitations

## Abandoned Building Renovation Deduction Statute:

### [M.G.L. Chapter 63: Section 38O](#)

### [M.G.L. Chapter 62: Section 3\(B\)\(a\)\(10\)](#)

Department of Revenue Releases on the EDIP Investment Tax Credit for Certified Projects Approved January 1, 2010 onward:

**Note: Guidance may be superseded or applicable to prior versions of the EDIP statute.**

### [Department of Revenue Technical Information Release 10-1](#)

Economic Development Incentive Program Credit

### [Department of Revenue Technical Information Release 10-15](#)

Certain Local Property Tax, Personal Income Tax, Corporate Excise, and Tax Administration Changes in "An Act Relative to Economic Development Reorganization"

### [Department of Revenue Technical Information Release 16-15](#)

Tax Provisions Included in "An Act relative to job Creation and Workforce Development"

## **Regulations applicable to prior version of EDIP statute:**

Department of Revenue Releases on the Economic Opportunity Area Credit for Certified Projects Approved Prior to January 1, 2010:

### [830 Code of Massachusetts Regulations 63.38 N.1](#)

Regulations and calculation of Economic Opportunity Area Credit

### [Department of Revenue Division of Local Services: Informational Guideline Release No. 94-201](#)

Property Tax Exemptions to Promote Economic Development

### [Department Of Revenue Directive 09-4](#)

Effect that the Expiration of a Project's Certification has on the Economic Opportunity Area Credit

## Local Tax Increment Financing Statutes and Regulations:

### [M.G.L. Chapter 40: Section 59](#)

Powers and Duties of Cities and Towns: Tax Increment Financing Plan

### [MGL Chapter 59: Section 5, Paragraph 51](#)

Assessment of Local Taxes: Property; Exemptions

### [760 Code of Massachusetts Regulations 22.00](#) – **To be rescinded September 2018**

Establishes standards and procedures for designation of Tax Increment Financing (TIF) Zones and for the development of Tax Increment Financing Plans.